


ALERT! ALERT! ALERT!

General Support Services
Office of the State Controller
1525 Sherman St., Ste 250
Denver CO 80203
Phone: (303) 866-3281
Fax: (303) 866-4233

ALERT #111

TO: Department Controllers, Fiscal Officers and Other Interested Parties

FROM: Clifford W. Hall 
State Controller

DATE: March 26, 1998

SUBJECT: *Revised Exhibits K1 and K2*
Correction to the Contract Procedures and Management Manual
New Capital Construction Diagnostic Report Available
Second Basic Open/Close Training Session Scheduled

Revised Exhibits K1 and K2

The State Controller's Office required state agencies to revise the fiscal year 96-97 Exhibits K1 and K2 to reflect the additional information required by the Office of Management and Budget Circular A-133. The deadline for submitting revised Exhibits K1 and K2 is Tuesday, March 31, 1998. The form of the revised exhibits and related instructions were distributed in a memo to agency controllers and chief fiscal officers dated November 3, 1997. The form and instructions are also available in the fiscal year 97-98 Closing Instructions Manual which is available in paper copy and on the state controller's website at: http://www.state.co.us/gov_dir/gss/acc/accpubs.html. If you are encountering problems submitting your revised K1 or K2 from last year or have a question regarding the instructions please contact Art Barnhart at 303/866-3850.

Correction to the Contract Procedures and Management Manual

There is an error in the contract manual in Chapter 6, page 6-3. The final paragraph on that page indicates that purchase orders may be used to order personal services costing more than \$25,000 as long as the procurement has been completed through the use of a statewide price agreement. **This is incorrect.** Currently the price agreements do not contain the required terms and conditions to adequately protect the state.

At the time the manual was written the Central Approver Task Force envisioned a day when the terms and conditions included in a statewide agreement would be legally sufficient to permit purchase orders to be written for any amount against these price agreements. Unfortunately the current statewide price agreements are not legally sufficient to allow purchase orders to be written for personal services above the \$25,000 limit. Richard Pennington of the Attorney General's Office plans to begin working on the terms and conditions in statewide price agreements in the near future. Once this improvement to statewide price agreements has been completed, agencies will be notified of the change.



New Capital Construction Diagnostic Report Available

The State Controller's Office is making available a new diagnostic report, DOACCCM1 - Capital Construction Expenditures Compared To Budget. The purpose of this report is to assist in monitoring program revenue earned on projects that are funded from both capital construction and cash/cash exempt funds.

For each capital construction project, the report shows the budgeted expenditures and the percentage split between the budgeted sources of funds. The report also shows the actual expenditures for the project and the percentage allocated to the various sources. The report is designed to charge expenditures on split funded projects to the cash/cash exempt sources to the extent that revenue has been earned. If no cash/cash exempt revenue is earned on split funded projects, 100 percent of the expenditures are reported as capital construction (general exempt) expenditures.

The Field Accounting Services Team (FAST) uses this report to ensure agencies and higher education institutions are properly earning cash/cash exempt revenue in proportion to the budgeted source of funds. The FAST will contact agencies if there is a significant difference between the budgeted and actual percentages.

Second Basic Open/Close Training Session Scheduled

Due to high demand, the FAST is offering a second basic open/close training session. The second session will be held on May 13, 1998, from 8:30 a.m. to 12:00 p.m. in room 610, State Services Building, 1525 Sherman St. Participants should bring a copy of the Open/Close Instructions to the training. The first session will be held on May 7 from 1:00 p.m. to 4:30 p.m. at the same location. If you are interested in either session or were previously signed up for the May 7 class and would like to switch, please contact Dottie Relaford of the FAST at 303/866-4165 to sign up. In order to encourage active participation, we are attempting to limit the size of each class to about 20 participants. Additional classes will be scheduled if needed.